



Charter Party Bills of Lading & Transhipment

UCP Art. 22 makes no reference to transhipment unlike Art. 20 and 21. We must therefore look to the latter articles when construing the manner in which transhipment under a C/P is to be evidenced when it may, or will, occur.

Our company has recently had discussions with two different, international trade finance banks regarding the correct way of evidencing a transhipment. Whilst the banks had their own view, this was at variance with that taken by the vessel owner as also our own.

To summarise the issues:

Goods were shipped in Gdynia, Poland resp. Kotka, Finland, transhipment was to take place in Rotterdam for discharge in Jiangyin resp. Ningbo, both ports being in China.

The same vessel owner was responsible for the entire carriage from loadport to disport. The BLs presented were those issued after transhipment had taken place. Originally, the Place and Date of issue showed Gdynia resp. Kotka on 25th Jan. resp. 12th Nov. 2009. Transhipment took place for both cargoes on named vessels on a given date in Rotterdam on 28th Jan. resp. 17th Nov. to which both BLs expressly referred.

The owner, and we, wanted to show Gdynia resp. Kotka as loadport and make reference in the body of the document to the transhipment. The banks objected to this format because they held that at the time of issuance deduced from the date of the BL on its face, the issuing party could not with certainty state that transhipment would take place on the named vessels upon the dates stated.

We had some sympathy for this view (which the owner did not share) and tried to explain to the banks that the BLs were issued AFTER transhipment had taken place, which is why the 2nd vessel (loaded in Rotterdam) could be stated with certainty. The owner was obliged to show the entire transit and also insisted on evidencing this 2nd vessel in the box under "Onboard the Vessel ..." because at the time of issuing the BL this was indeed the vessel upon which the goods had been shipped for further shipment to the port of discharge.

What we had suggested was a BL indicating the actual ports of loading and discharge with a statement in the body of the text indicating "transhipment to take place in Rotterdam" which the owner however declined to accept as it would "hide" the vessel and date of transhipment occurring in Rotterdam.

The banks wanted the BLs to show as loadport Rotterdam in order to evidence that transhipment actually took place on the named vessel and be dated as of the date of transhipment and declined to take up and pay for the shipping documents unless this could be achieved. The vessel owner on the other hand wanted to have the actual port of loading evidenced (in the "Port of Loading" box) and be issued as of this date as this was the point at which the owner's liability as Carrier commenced but also wanted to have the 2nd vessel shown in the "Onboard the Vessel" box to prove that the 2nd leg of the transit had also been commenced.

The group's proposals are welcomed as to the "correct" method of issuing the BLs as also the format finally agreed upon between all three parties.
